



10 - 12 May - Bangkok

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SOUTHEAST ASIA 2018

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President
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Market Trends in South East Asia and Worldwide

- What are some of them and Where are they
- What's our market look like
- What are some current Converter / Industry challenges
- Where are the growth opportunities in the Region

ASEAN Macroeconomic Overview

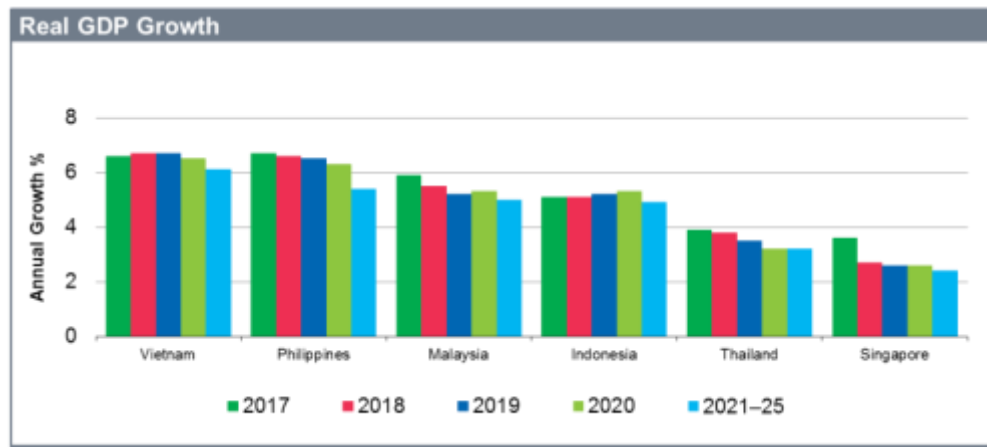
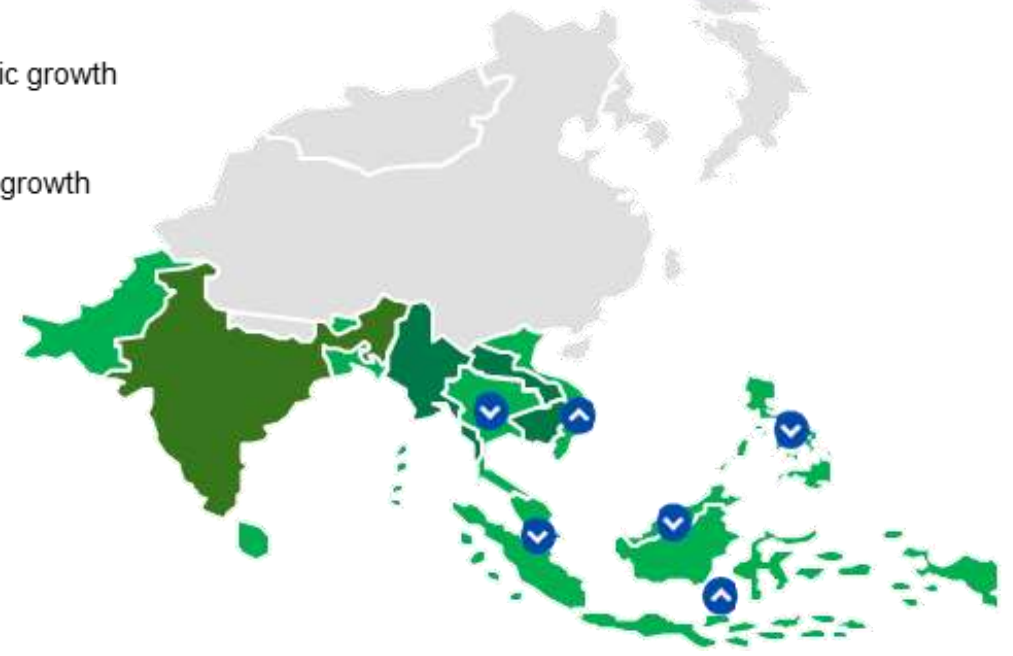


ASEAN (weighted average)	2017	2018	'18-'25 CAGR
Annual GDP Growth	5.1%	5.0%	4.6%
Private Consumption YoY	4.9%	5.1%	4.9%
Consumer Price Index YoY	2.7%	2.7%	3.7%
Retail Sales YoY	3.8%	4.3%	4.3%
Industrial Production YoY	4.7%	4.2%	4.5%
Export of Goods & Services YoY	9.7%	6.7%	5.6%
	2017 average	2018 average	2020
Manufacturing PMI	50.8	51.2	51.8

2018-2025 GDP Growth Outlook

Low Growth | High Growth

- 2017 vs 2018:**
- ⬆️ Improving economic growth
 - ➡️ No changes
 - ⬇️ Slowing economic growth

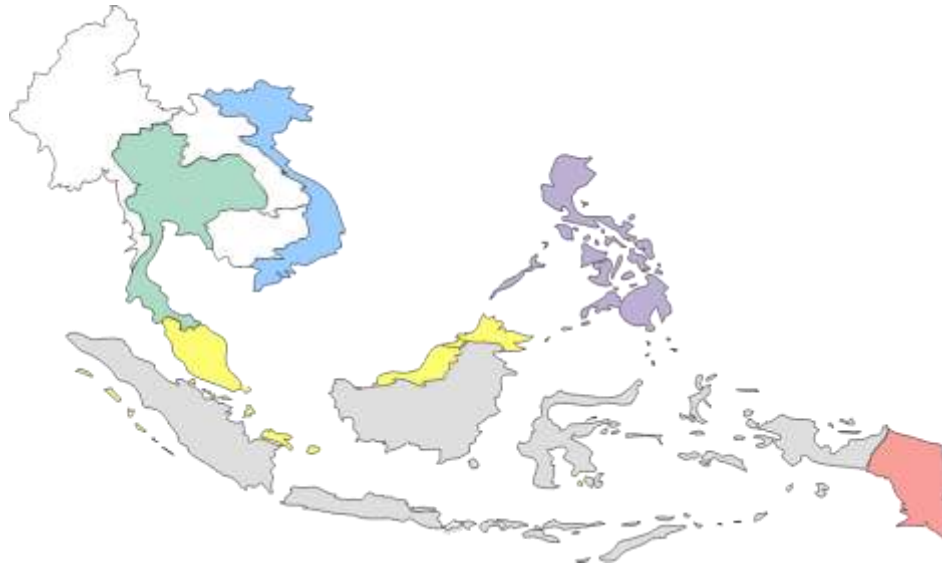


Source: IHS; FSG; Trading Economics;

ASEAN PS Label Industry Overview



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ASEAN

840M	PS Industry Size, m ²
1.5 □	Per Capita
<u>18-25 CAGR</u>	
4.6%	GDP
6.2%	PS Industry

Thailand
 PS Industry Size: 260M m²
 Per Capita: 3.8 m²
 '18-'25 GDP growth: 3.3%

Malaysia
 PS Industry Size: 143M m²
 Per Capita: 4.6 m²
 '18-'25 GDP growth: 5.1%

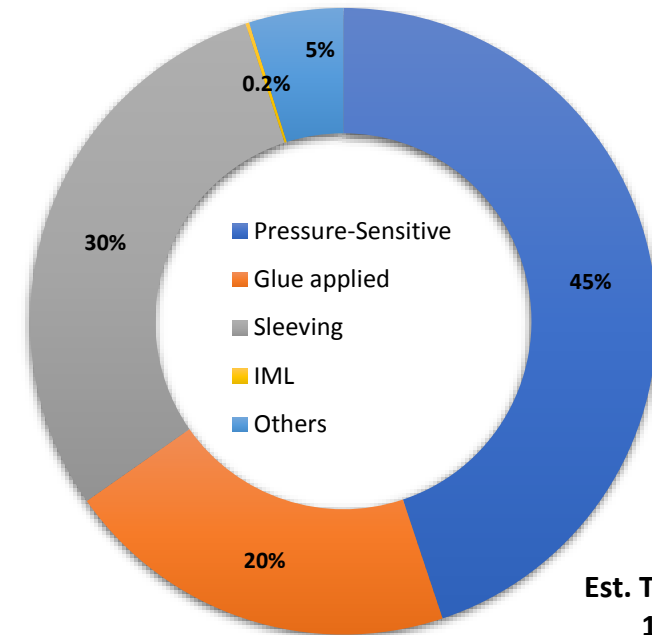
Singapore
 PS Industry Size: 51M m²
 Per Capita: 8.8 m²
 '18-'25 GDP growth: 2.5%

Vietnam
 PS Industry Size: 202M m²
 Per Capita: 2.1 m²
 '18-'25 GDP growth: 6.3%

Indonesia
 PS Industry Size: 134M m²
 Per Capita: 0.5 m²
 '18-'25 GDP growth: 5.1%

Philippines
 PS Industry Size: 50M m²
 Per Capita: 0.5 m²
 '18-'25 GDP growth: 5.8%

(CAGR '17-'25)



Est. Total Market
1870 m²
 All Decorations

ASEAN End User Segment Trends & Insights



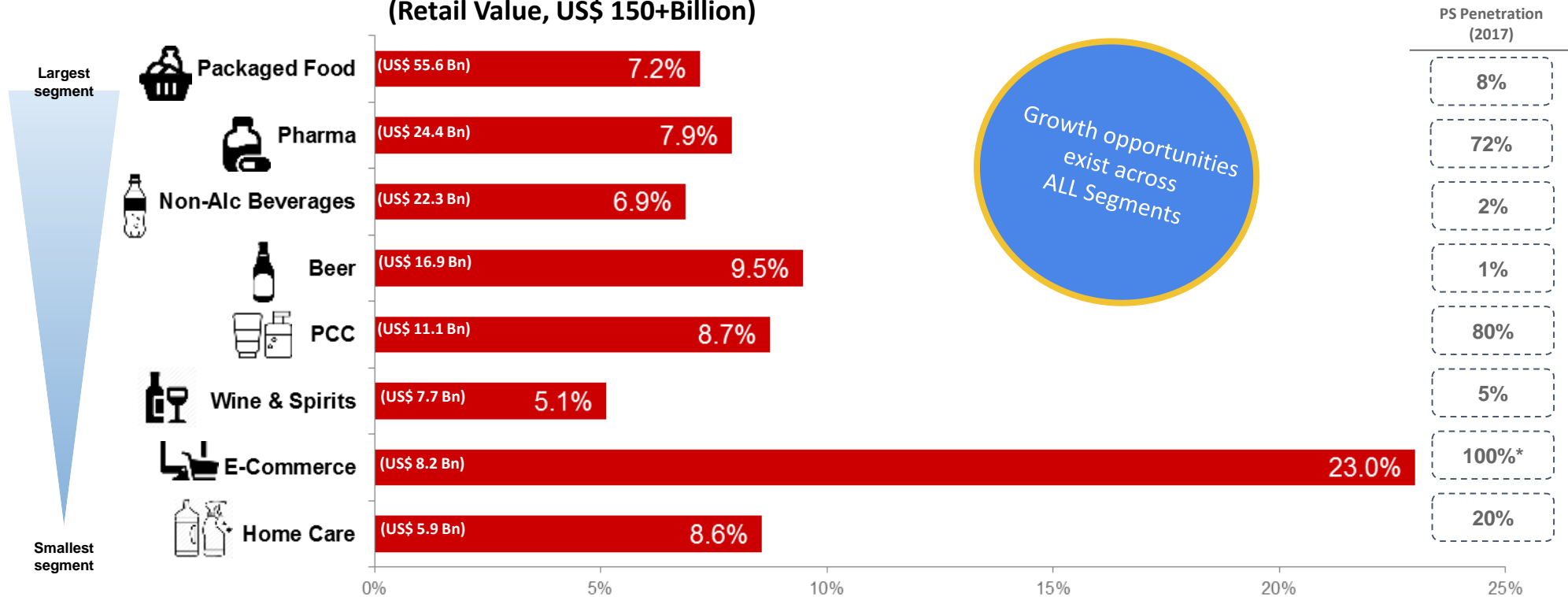
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By value **Packaged Food** is the largest Market Segment in ASEAN (~35% of total)

E-Commerce the fastest growing category

Health-consciousness + Natural/Organic Products = key theme across categories in ASEAN consumers

2017 Market Size
 (Retail Value, US\$ 150+ Billion)



*) Penetration in e-commerce assumes VI label being used

North Asia Label Markets

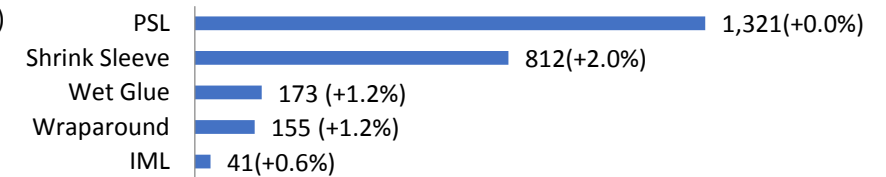
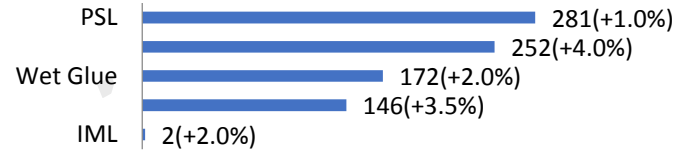
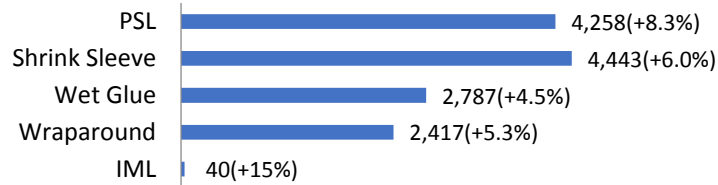


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North Asia

5,860M	PS Industry Size, m ²
Various	Per Capita
<u>18-25 CAGR</u>	
All to Grow	GDP
All to Grow	PS Industry

Industry CAGR	<u>2012 - 2017</u>	<u>2017 - 2022</u>
China	7.8%	7.6%
Korea	4.6%	1.9%
Japan	-0.1%	0.1%
Total	5.5%	5.7%



China



4,258M	PS Industry Size, m ²	
3.0 □	Per Capita	
<u>12-17 CAGR</u>	<u>17-22 CAGR</u>	
7.3%	6.3%	GDP
7.8%	7.6%	PS Industry

Korea



281M	PS Industry Size, m ²	
5.5 □	Per Capita	
<u>12-17 CAGR</u>	<u>17-22 CAGR</u>	
2.8%	2.6%	GDP
4.6%	1.9%	PS Industry

Japan



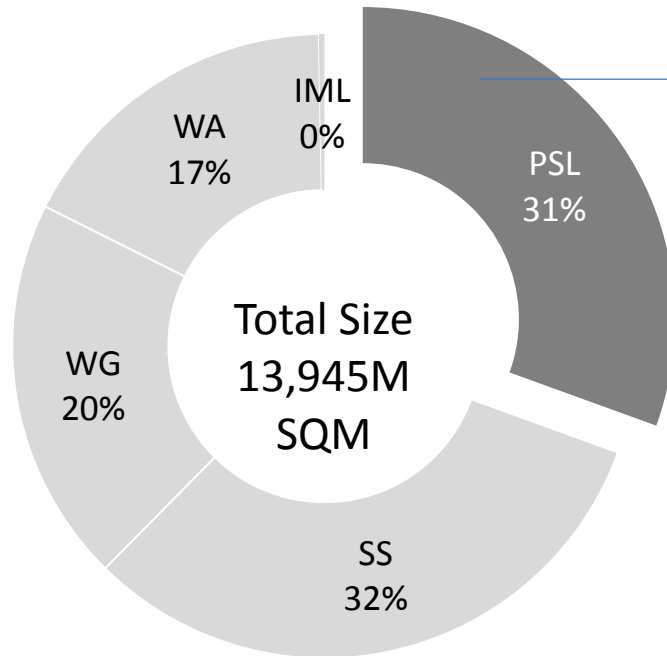
1,321M	PS Industry Size, m ²	
10.4 □	Per Capita	
<u>12-17 CAGR</u>	<u>17-22 CAGR</u>	
1.2%	1.0%	GDP
-0.1%	0.1%	PS Industry

China PS Label Industry Segmentation

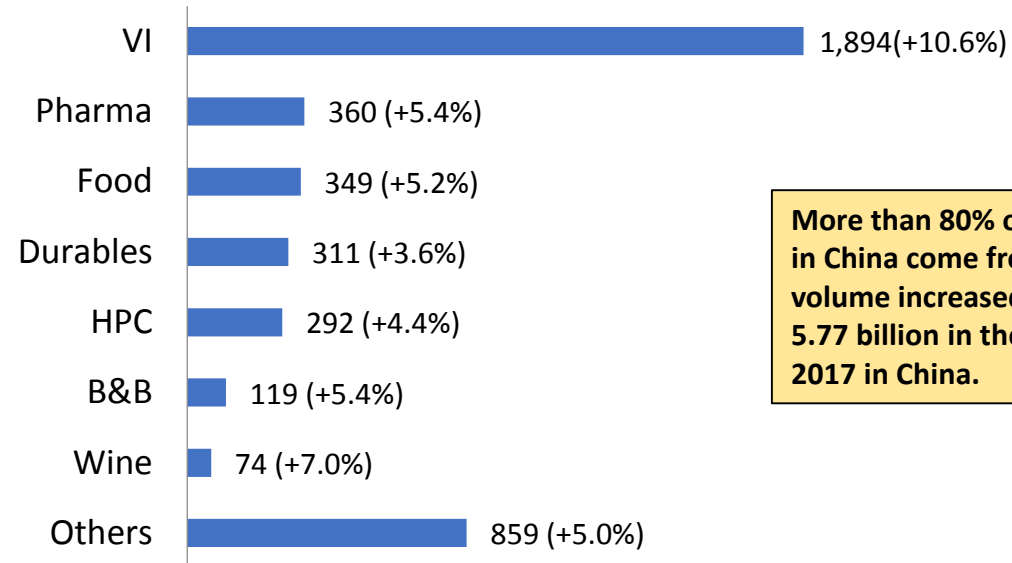


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Label Market Structure by Label Technology



Segment Size (M SQM & 17-22 CAGR)



More than 80% of parcels delivered in China come from e-commerce, and volume increased a robust 56.4% to 5.77 billion in the first quarter of 2017 in China.

8 Trends



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Industry Trends

1

Growth

**Still coming from emerging markets –
China, India, Brazil and South East Asia.**

2

Rising Costs

**Material Prices, Pricing Pressures and
Cost Containment.**

3

Speed

**Shorter run lengths, product lifecycles
and lead times, more SKU proliferation.**

4

Environmental

**Compliance, Sustainability, Waste
Requirements, Scorecards**



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Industry Trends

5

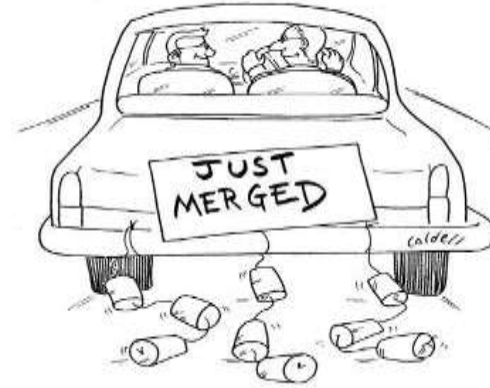
M & A Activity

Over a Billion US\$ in M&A activity / Creating a larger footprint maximizes the value proposition / no longer can you be in one location and service a region / Leverage best practice – costs & supply chain

6

Global Brand Owners

Coordinating there decisions globally / want and expect the same levels of service in developing markets as developed markets / Plant Contingency / Look and Feel / Tenders.



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Industry Trends

7

Brand Protection

**Integrity – Value is in the intangibles,
Looking for solutions to protect there
brand .**

8

Technology

**Add Value or Diversify - QR Codes / Late
Stage Differentiation**



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Label Trends



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1 Shelf Appeal



4 Go Green



2 Convenience

3 Value for Money



You'll need to do **more** with less !

Resource:  EUROMONITOR INTERNATIONAL

Rosemarie Downey, packaging industry manager, March 28, 2012



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Consumption Frequency & Purchase Behaviour - Personal Care Products

Category – Shampoo
Age Groups 15 – 65
Male and Female

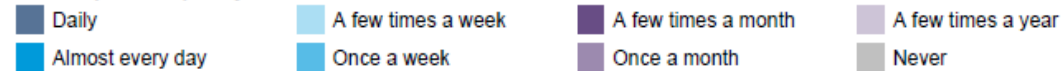
China
All Income Levels

75% Chinese
Buy or try
something
different

Consumption Frequency



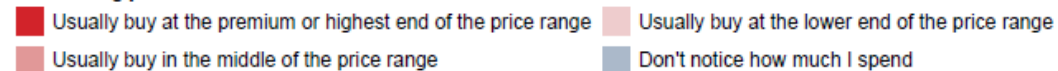
Consumption frequency



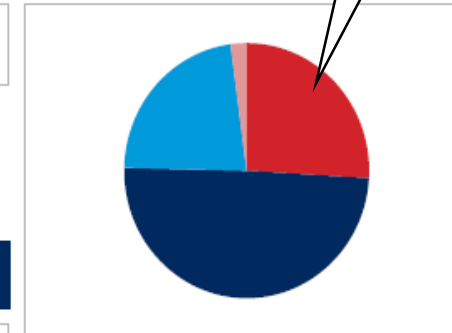
Purchasing Priorities



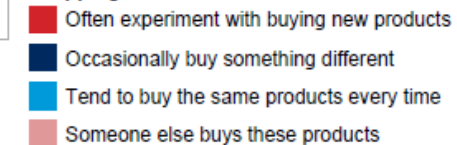
Purchasing priorities



Shopping Behavior



Shopping behavior



Label Trends



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1

Shelf Appeal



4

Go Green



2

Convenience

3

Value for Money



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Trends 2018

- Shrink
- Track and Trace
- Brand Protection and Security Labelling
- Flexible Packaging
- Augmented Reality
- E Commerce and Data Mining
- Internet of things
- Tubes



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WINE BRAND OF THE YEAR 2013

Every bottle has a story
BRING THE BOTTLES TO LIFE

Get it on Google Play
Download on the App Store

Download "19 Crimes" App
Watch and listen as the labels come to life in front of your phone.

 **19 Crimes.**

Pic Source -AWA/MCC

Opportunity

ABI > 85% PS in USA



Variable Labels



Can Growth



Cans with PS



Shrink on Cans



Single Serve Wine



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Electronic Labels



PET Cans



Near Field Communications NFC



Challenges



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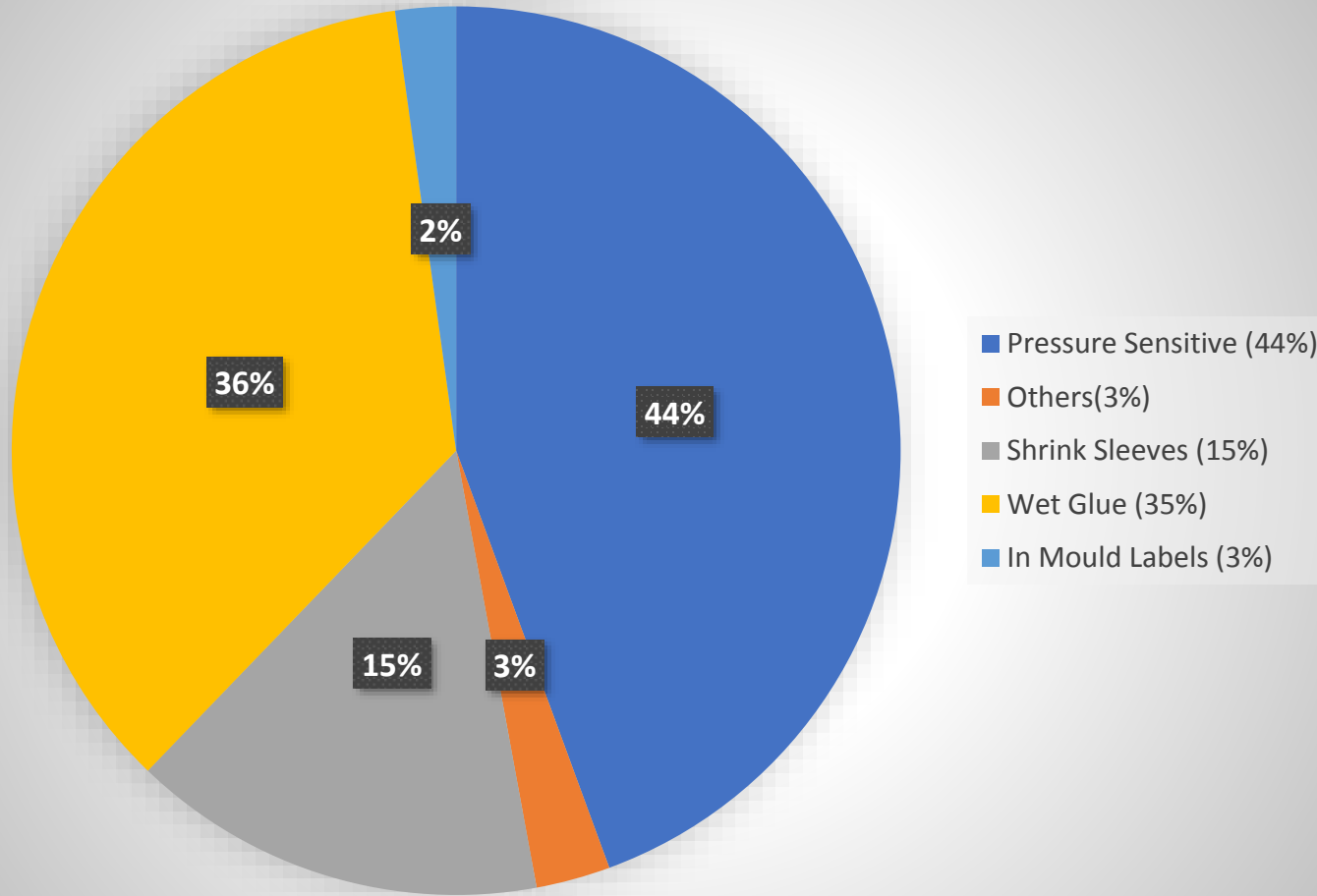
- Change
- Pricing reduction pressures
- Shorter lead times
- SKU proliferation and shorter run lengths
- Sustainability
- Raw Material Price Increases
- Finding Qualified Press Operators
- Lean



Why would you want to be any where else



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Global Label Market Value
(All decorating Technologies)
US\$

In 2016 34.5B

Forecast 2021 44.8B

So in 5 years Projected to Add US\$ 10B in
Market Value

Asia is 40+% of the Global Label Volume



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Thank You